

Abstract

The objective of the present Bachelor's thesis is to compare the behavior of housing prices in the Czech Republic and Slovakia using econometric analysis. First, the author presents the historical context and basic housing indicators. After verifying that variables in dataset are cointegrated, a panel DOLS estimator for modelling housing prices is employed. The author uses quarterly regional data in order to analyze the response of basic housing price fundamentals in the two countries that formed one federation until 1992. By forming a short run equation with an error-correction term the author checks for the existence of long run housing price equilibrium and for the speed of price reversion to equilibrium in case it is misaligned. The author then focuses on housing price misalignments as well as their dynamics in the individual regions.